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SUBJECT: U.S. - EU TROIKA CONSULTATIONS ON DISARMAMENT AND
NONPROLIFERATION, FEBRUARY 22-23, 2007

Classified By: Classified by USEU PolMinCouns Larry Wohlers
for Reasons 1.4 (B) and (D)

SUMMARY:

¶1. (C) The U.S.-EU Troika disarmament and nonproliferation consultations under the German presidency demonstrated many common interests and a willingness to engage frankly but cordially. They did not hide, however, the well known divergence of views on how to approach these key issues. In particular, the Europeans remained firm in their support for the primacy of approaches based on formal agreements and established institutions, while the U.S. made clear that it preferred results-based arrangements. On specifics:

-- Both sides supported FMT negotiations at the CD, but the U.S. made clear it would not agree to an Ad Hoc Committee on outer space, even at the cost of no FMCT negotiations.

-- The U.S. and EU place emphasis on positive momentum in the NPT review process and hope to resolve procedural questions quickly.

-- The IAEA's Committee on Safeguards and Verification is in difficulty; its future may be decided by results at the June Board of Governors, meeting.

-- The two sides agreed on the need for a strong approach toward Iran and were pleased at progress on the DPRK, although the U.S. made clear the process had only started.

-- Preparations for the U.S.-EU Summit should begin soon and should focus on a limited number of significant items. The U.S. supported the inclusion of some actionable items, which could enable measurement of progress.

U.S. - EU engagement remains key to progress on non-proliferation and disarmament issues

¶2. (SBU) February 22-23 U.S.-EU Troika discussions on disarmament and nonproliferation (CODUN/CONOP) began with a brief assessment of U.S.- European Union (EU) cooperation in these areas, as well as a review of recent non-proliferation and disarmament conferences.

¶3. (SBU) German Ambassador for Arms Control and Disarmament Ruediger Luedeking opened discussions by emphasizing the

commonality of values shared by the EU and the U.S. on nonproliferation and disarmament. These values should be deepened, but reflect no difference in respective objectives -- only differences on how to reach the objectives. He added the EU and U.S. should not be "shy about where we differ." EU Personal Representative on Nonproliferation of WMD Annalisa Giannella suggested continued informal contact and communication on key issues and earlier collaboration and discussion prior to major conferences.

¶4. (C) U.S. Ambassador to the Conference on Disarmament
Christina Rocca noted the important impact that informal U.S.-EU brainstorming could have on substantive engagement, especially in international forums. U.S. Deputy Assistant Secretary of State for International Security and Non-proliferation Andrew Semmel said that attempts should be made to manage differences in a manner that is not overtly pubQc. Neither side has a "monopoly on good ideas." EU insight into respective opinions and positions among the 27 EU member states would be especially beneficial, he added.

Multi-lateral approach

¶5. (C) Ambassador Rocca noted a slight difference in the dynamic of solving problems between the EU and the U.S. The U.S. wants to confront problems and considers actual results and tangible outcomes to be most important to the achievement of non-proliferation and disarmament objectives. The U.S. sometimes believes that the EU places all its emphasis on agreed documents.

¶6. (SBU) Luedeking responded that multilateralism is a key component of EU strategies. The multilateral treaty system

should ideally operate as the common denominator for all countries and allow the UN the role of ultimate arbiter of compliance. Luedeking dubbed this a &norms-based8 approach to diplomacy. Europeans considered that they needed a legal basis provided by such a system to provide legitimacy to such result-oriented activities as the Proliferation Security Initiative (PSI). Giannella added that the EU's attachment to a multilateral treaty system is primary and pervades all realms of EU undertakings. She noted that every country must feel it is "in the system" and that the system cannot work effectively if it is not truly multilateral.

¶7. (C) Portuguese Ambassador Carlos Frota asked whether the Six-Party Talks, which were "somewhat multilateral," could be replicated in other fora. Semmel reminded representatives that in the case of the DPRK and Iran, negotiations and strategies were worked through the U.N. Security Council system.

¶8. (C) Ambassador Luedeking expressed the importance of an established legal framework, fortified institutions and common rules which have norms by which all countries must abide. In the case of PSI, small arms and ammunition proliferation in Africa and the recent Chinese anti-satellite (ASAT) test, multilateral approaches are the only ones that could truly be effective. Referencing the Chinese ASAT test, Luedeking stated that we cannot unilaterally prevent space-based assets. Instead, common rules on how space is used and how to protect space-based assets are important.

¶9. (C) On the recent Chinese ASAT test, Ambassador Rocca made clear that the U.S. would not support development of new legal regimes to govern space activity. She argued that appropriate treaties already exist.

U.S. - EU Summit Preparation: U.S. Focus on Action

¶10. (SBU) DAS Semmel led discussion on U.S.-EU Summit preparation. He raised the following issues as possible "deliverables" for the April 30 U.S.-EU Summit to be held in Washington: Proliferation Financing; UNSCR 1540, Fissile

Material Cut-off Treaty; U.S.-India Civil Nuclear Cooperation Initiative; Universalization of the Additional Protocol; Global Partnership; Global Initiative to Combat Nuclear Terrorism; Problems of IAEA Funding; Strengthening the NPT; and Strong statements on Iran and North Korea. He solicited EU responses and perspectives.

UNSCR 1540

¶11. (SBU) Semmel asked whether the Summit could be used to spur UNSCR 1540 implementation.

¶12. (C) Semmel noted the U.S. considers 1540 implementation a key priority that must go beyond gathering information and progress to plugging gaps/implementation. He noted the U.S. already has in place relevant programs, such as the Export Control and Border Security program (EXBS), and said that 1540 reporting varies, and assistance in helping certain countries writing reports is important. He said countries should be encouraged to ask for assistance. Semmel recommended 1540 implementation be considered an "actionable" item at the Summit and G8 meetings.

¶13. (SBU) Giannella said that 1540 is important because it sets a universal standard for all countries, but the problem is implementation. The EU, she said, has supported implementation financially and politically and facilitation of three regional 1540 seminars in Beijing, Accra and Lima. This illustrates that the EU attaches a great deal of importance to implementation.

¶14. (SBU) Giannella noted it has not been easy to convince smaller countries that non-existence of a nuclear program in a country should not lead to a "do nothing" stance. She noted helping countries to draft reports would be a step forward. The EU's December 2006 WMD Strategy (update) noted support for national implementation of 1540 as well as EU efforts on export controls, which help in 1540 implementation.

¶15. (C) Ambassador Luedeking said that Germany and Norway have planned an export controls seminar to be held in New York City on March 27. Luedeking asked Semmel the U.S. view

on the role of the 1540 Committee, its results to date and its future. Semmel responded that one difficulty the Committee has faced is recruitment of qualified experts -- including finding new experts with others' retiring. U.N. self-imposed requirements for geographic balance hinders and slows recruitment of qualified panel experts. While the Committee's expiration is not immediate, the international community must begin assessing whether the Committee should be extended. Semmel emphasized the need for the Committee to develop actual products.

¶16. (SBU) Ludeking asked whether development of a "Best Practices Guide" would be helpful. Semmel responded it could perhaps be helpful if broad enough to cover pertinent issues for over 190 countries.

Proliferation Security Initiative (PSI) and Global Initiative to Combat Terrorism (GI)

¶17. (C) Luedeking and Giannella expressed concern that while the EU fully endorsed the Proliferation Security Initiative (PSI), it was never invited to participate & in its own right as a member. The EU is disappointed it has not been invited to participate in the Global Initiative to Combat Terrorism (GI) given that it is a supranational body with a special role to play. They argued that EU member states have handed over sovereignty in some areas (e.g., EURATOM) to the EU as an institution and expressed regret that Russian Deputy Foreign Minister Kislyak opposed EU involvement in the GI.

¶18. (C) Giannella noted the Commission is preparing a paper on nuclear terrorism and that a stability instrument will be

adopted in June 2007. The instrument will address dual use, export controls, trans-shipment, illicit trafficking, and port issues.

¶119. (C) Giannella indicated the EU is willing to transmit its relevant competencies and potential added-value consistent with the principles of GI to the U.S. She stated that this was done two years ago for PSI, but did not result in U.S. agreement that the EU be included as a member of PSI. DAS Semmel was amenable to the EU offer to transmit its competencies.

Fissile Material Cut-Off Treaty

¶120. (C) Ambassador Rocca briefed the troika on informal Fissile Material Cut-off Treaty (FMCT) meetings held the week of February 5 at the Conference on Disarmament in Geneva. She indicated that the new structure will clearly show which countries are obstructionist. Rocca added that the U.S. would not agree to a PAROS Ad Hoc Committee, even if the price was no FMCT.

¶121. (C) Ambassador Luedeking said he was not sure the strategy to isolate a particular country would work. Ambassador Rocca responded that this is the result of the new structure put in place by the presidents. The real source of opposition to moving forward on an FMCT is China and Pakistan, both of whom are linking issues. The US will not accept linkages. She also urged others to convince India to support FMCT negotiations, as India has pledged to do as part of the U.S.-India Civil Nuclear Cooperation Initiative.

Convention on Certain Conventional Weapons (CCW)

¶122. (C) Ambassador Luedeking questioned when the U.S. would ratify all of the CCW protocols, as well as the amendment to Article One, which extends its jurisdiction to internal conflicts. Doing so would help in the campaign to get non-parties to adhere. Alex Liebowitz (Bureau of International Security and Nonproliferation) responded that the Administration had put all the outstanding CCW measures in the top category of agreements for which it was seeking Senate advice and consent for ratification.

First Preparatory Committee for the Nuclear Non-Proliferation Treaty 2010 Review Conference

¶123. (C) Ambassador Luedeking said that the EU's April 2005 Common Position for the last Review Conference remained

valid. The EU was committed to respecting the basic bargain contained in the treaty as the review process went forward. He appreciated the flexibility he had seen in recent discussions with the U.S. and urged a quick resolution of procedural issues, along the lines of the approach taken during the last review process. The West should not be seen as blocking substantive discussions.

¶124. (C) DAS Semmel said he was willing to discuss the agenda issues before the preparatory meeting and said that the U.S. will emphasize compliance and enforcement and will address the issue of disarmament confidently and clearly. On the issue of NPT withdrawal, he added it was important not to amend Article 10 but to interpret it in a way that there were known and expected adverse consequences a country would face if it contemplated withdrawal, in effect, a deterrence to withdrawal. Semmel also questioned whether the NAM should always be entitled to the presidency of the review conference or whether it should rotate among the groups. He also suggested that one might consider ways of moving forward for consideration by the plenary those agreements on issues reached by different Review Conference committees. Ambassador Luedeking believed the rotation issue was very delicate.

Comprehensive Test Ban Treaty

¶125. (C) Ambassador Luedeking emphasized the EU was firmly committed to the Comprehensive Test Ban Treaty (CTBT), and felt it was particularly important given North Korea's nuclear tests. He hoped the U.S. would continue to work with the CTBTO Prepcom and noted the problem of the backlog of U.S. dues owed to the organization. He cautioned that some countries lost their right to vote as a result of non-payment of dues. The EU wants the U.S. to remain involved, particularly in the International Monitoring System. Rocca and Semmel made clear that the U.S. position on the CTBT had not changed and that Senate approval was not in the cards.

International Atomic Energy Agency Committee on Safeguards and Verification, Preparation of the Board of Governors

¶126. (C) DAS Semmel led by stating that the IAEA's Committee on Safeguards and Verification (CSV) was intended to strengthen inspections and safeguards. However, the non-aligned had prevented it from reaching agreement on recommendations from the IAEA Secretariat. The U.S. would have to reassess its support if the CSV could not agree on concrete proposals to present to the Board of Governors (BOG) in June. Ambassador Luedeking said his impressions were the NAM had "hijacked" the CSV to pursue its own aims. The EU, he said, was supportive of an orderly "wind down" of the CSV. EU Council representative Stephan Klement agreed with the negative interpretation of NAM behavior and said in the event there was no endorsement of the CSV mandate, it would automatically expire in June. He added that Egypt and Syria had not been helpful in the process. DAS Semmel said the U.S. would look for a way to help until June, but there was not yet a position on extension of the CSV for another two years.

Multilateral Nuclear Approaches

¶127. (C) DAS Semmel expressed U.S. support for providing reliable fuel services to countries which choose not to pursue enrichment and reprocessing technologies. Luedeking agreed and said the EU is also supportive of fuel supply assurances but is awaiting the IAEA Report on the subject expected in June. He said the international community needs to make a greater effort to inform and convince countries that the issue is important and would not nullify Article IV rights in the NPT.

¶128. (C) DAS Semmel said no surprises were expected in the IAEA report. He understood, however, that the IAEA is seeking additional assistance. He added that commercial fuel supply did not appear to be a problem, but there is a need to develop a system that puts the IAEA at the core.

¶129. (C) Luedeking said efforts to convince NAM countries of the advantages of such a system would be worthwhile. The EU will make this point at the NPT preparatory committee.

Semmel emphasized the importance of a strong EU statement on the matter and highlighted again the importance of states clearly understanding they would not be asked to forfeit Article IV rights under the NPT.

U.S.-India Civil Nuclear Initiative

¶130. (C) EU reps were very interested in where things stood on the initiative. Luedeking asked specific questions about the Hyde Act and how the Act's conditions matched with India's "clear refusal to accept more conditions." He indicated the EU was informed that Indian Prime Minister Singh is under pressure domestically and interprets the Act's requirements as "recommendations" that are non-binding and that should not

be part of a bilateral agreement.

¶31. (C) DAS Semmel provided a detailed update on the legal and technical processes and the various steps and procedures underway or needed to complete the initiative as well as the legal safeguards included in U.S. law. Luedeking indicated the EU has no Common Position on the Initiative. All want to integrate India into the nonproliferation mainstream; they differ on how to do so. Semmel urged the EU to support the Initiative and promised to keep the EU fully informed.

Hague Code of Conduct (HCOC)

¶32. (C) Ambassador Luedeking said participation in HCOC meetings was diminishing. He said that Germany would host a seminar in Vienna on May 30 to focus on implementation concerns and noted that the EU attaches a particular importance to confidence-building measures. He said that the issue of U.S. non-compliance with pre-launch notifications was a concern. If there were no progress on this issue, we might see the end of HCOC. He encouraged U.S. participation at the seminar.

Missile Technology Control Regime (MTCR)

¶33. (SBU) During a brief discussion of this issue, Luedeking thanked the U.S. for supporting membership by EU states that were still not MTCR members.

Iran

¶34. (C) Luedeking said that, given Iranian lack of compliance, the EU is ready to go beyond UNSCR 1737, with further action possibly including travel bans; expanded coverage of sanctions (to include all items on the Missile Technology Control Regime and Nuclear Supplier Group lists); and separate autonomous lists. Luedeking noted that Iran's Arab neighbors are concerned that they are in a "tougher spot than Israel" because they have no nuclear deterrent and fear that Iran will become the dominant regional power.

¶35. The EU continued to believe negotiations with Iran were important, Luedeking continued. He said the fact that Iran was unable to divide the EU-3 (France, Germany, United Kingdom) plus 3 (China, Russia, U.S.) was important, albeit surprising to Iran. Iranian President Ahmadinejad was playing on his public's broad support for a nuclear program. The EU did not want its position to be portrayed as contributing to the misery of the Iranian people. It must remain clear, he added, that EU actions were not meant to punish the Iranian people.

¶36. (C) DAS Semmel said there is real concern that Iran may have acquired the nuclear knowledge, skills and technology to indigenously develop centrifuges. At stake, Semmel added, were the reputations and credibility of the UN and the International Atomic Energy Agency. Semmel suggested that additional listings and export credits be considered and argued that unity and steadfastness are critical. Sanctions must be multi-lateral, meaningful and represent some "bite." He concluded by stating that the consequences of a lack of success with Iran would be monumental.

Democratic People's Republic of Korea

¶37. (SBU) In discussions on Six-Party Talks on DPRK, DAS

Semmel characterized the recent Agreement as a "victory for diplomacy," but noted the U.S. had "been down this road before," and was, therefore, cautiously optimistic. Luedeking said the EU remained concerned due to DPRK's performance in the past and noted that a troika of EU political directors plans to visit DPRK in early March. The

troika will have broad terms of reference, he said, including human rights.

¶38. (C) The EU has internally discussed how it can be involved in support of a solution given the EU is outside of the Six-Party framework. The overall sentiment, he said, is supportive of the Agreement, but there are concerns the EU has been "left out" of the negotiating process, but will at some point be asked "to go to the cashier."

¶39. (C) Semmel responded that the Agreement benefits all EU countries and the EU, as well as its member states who are important implementers of UNSCR 1718. The EU troika trip to Pyongyang should make clear to DPRK representatives that the EU will strongly implement financial sanctions, be unequivocal in solidarity with the Six-Party process and should not lead o "leaks or gaps" in support, Semmel said.

¶40. (C) A brief discussion on the future of the Korean Economic Development Organization (KEDO) ensued with Ambassador Frota asking if there was a possibility that KEDO might be kept in being, even as a paper organization. Luedeking indicated there were financial claims outstanding and that Japan was worried due to loans it had made and the issue of liability. He understood Japan was considering financing limited staff support to "wind down" KEDO in an appropriate manner. The next opportunity for KEDO decisions to be taken would be at the next Executive Board Meeting scheduled for March 29. Semmel responded that the U.S. was not supportive of continuing KEDO.

¶41. (SBU) Luedeking closed by commenting that the meeting contributed to a better understanding between the two sides. It showed the U.S. and EU had the same objectives, even if sometimes different recipes for moving forward. He urged that the two sides keep in close touch, especially in light of the U.S.-EU Summit on April 30.

¶42. (U) Amb. Rocca and DAS Semmel have cleared on this cable.

MCKINLEY